

ANNUAL REPORT
OF THE
Detroit & Mackinac
Railway Company



For the Fiscal Year Ending December 31st
1918

ANNUAL REPORT

OF THE

Detroit & Mackinac Railway Company



For the Fiscal Year Ending December 31st

1918



DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

HENRY K. McHARG.....	Stamford, Conn.
HENRY K. McHARG, JR.....	Stamford, Conn.
WALTON FERGUSON	Stamford, Conn.
JAMES BROWN MABON.....	New York, N. Y.
JAMES McNEIL	New York, N. Y.

OFFICERS

HENRY K. McHARG, President, Stamford, Conn.
JAMES McNEIL, Secy.-Treas., 40 Wall Street, New York, N. Y.
CHARLES E. GLASS, Auditor, Detroit, Mich.
JAMES McNAMARA, General Counsel, Detroit, Mich.

General Office: 1354 Book Building, Detroit, Mich.

DETROIT & MACKINAC RAILWAY COMPANY

OFFICE OF THE PRESIDENT.

New York, June 10th, 1919.

To the Stockholders of the Detroit & Mackinac Railway Company:

As stated in the last Annual Report, the government took over the operation of the road at midnight, December 31st, 1917.

At a stockholders' meeting held at Alpena, Michigan, March 4th, 1919, the Board of Directors were authorized to enter into a contract with the Director General of Railroads respecting the compensation to be paid as rental for the Railway under the Federal Control act.

In accordance with this authority, a contract was entered into March 29th, 1919, whereby the Director General of Railroads agrees to pay \$310,664.04 annual rental during the period of government operation.

The financial result of federal operation for the year is reflected in the Corporate Income account shown in Table B.

During the year we paid \$330.77 taxes on miscellaneous property not taken over by the Federal Administration and accrued \$19,127.83 approximate federal income tax for the year.

During the year additions and betterments to the value of \$41,803.86 were added to the property, upon which the corporation will receive interest at the rate of 5 % from date of completion.

October 24th, 1918, there was borrowed from the Bank of the Manhattan Company \$100,000 at 4½ % interest and an equal amount of United States Fourth Liberty Loan Bonds purchased.

During the year the Federal Manager endeavored to keep the property up to the previous high standard, but war conditions prevented the usual amount of repairs being made on both road and equipment.

During the year an unusually large proportion of our equipment was off of the line, and probably only received necessary running repairs.

Valuation work was carried on during 1918 by the Federal Administration, the figures showing \$8,445.49 expended as against \$12,099.76 in 1917.

This report includes information as to the corporate transactions during the year, and also shows, for comparative purposes and continuity of historical data, the results of federal operations for the same period.

In explanation of the poor financial showing made under federal operation (irrespective of the eight hour day, higher wages and large increase in cost of coal and all material), would say that as of July 1st, 1918, the Director General ordered the discontinuance of per diem payments, taking the position that as the government was operating all the railroads there was no necessity of keeping up the accounting system between the different lines. His position was eminently

DETROIT & MACKINAC RAILWAY COMPANY

correct, but entailed a hardship upon those roads which had provided themselves, by expenditure of cash, with sufficient equipment to handle their traffic and reacted favorably to those lines which had failed to supply themselves with sufficient equipment in the past.

In the year 1917 the Railway earned \$103,021.77 net (which was \$10,000 more than the interest on the entire mortgage bonds outstanding in the hands of the public) from the interchange of its equipment with other railroads. Had the 1917 per diem rules been in effect during the entire year of 1918, the income from per diem would have been approximately \$45,000 greater.

We have always been allowed to charge three cents a mile for passengers, and when the Director General increased passenger fares to three cents a mile from two cents on the large trunk lines, we did not share in such increase.

A case in point is the New Haven, which earns over \$16,000 a mile on passengers, while our railway earns \$1,100. The change from two cents to three on the New Haven gave them fifty per cent increase, while we actually received less from passengers (notwithstanding the large increase in wages, coal, materials, etc.), than we did in 1917. A fifty per cent increase on our road, which in comparison with trunk lines we should have had, would have made up half of the government's operating deficiency.

In olden times when people traveled in stage coaches and the purchasing value of a dollar was five times what it is today, people traveled and paid ten cents a mile, and it would seem but just and fair that a road earning less than \$3,000 a mile should be allowed to charge twice that of a road earning \$10,000 or over.

My belief is, therefore, that in considering the railroad situation, a graduated scale on passenger fares should be made dependent upon the gross earnings per mile.

Respectfully,

HENRY K. McHARG,

President.

DETROIT & MACKINAC RAILWAY COMPANY

AUDITOR'S OFFICE

Detroit, Mich., May 9, 1919.

H. K. McHARG, ESQ.,

President.

Dear Sir:—I submit herewith statements embodying Corporate Transactions during the year ending December 31, 1918, as well as Statistics showing, for comparative purposes and continuity of historical data, the results of Federal operations for the year 1918 as reported by the United States Railroad Administration.

TABLE A—Corporate Condensed General Balance sheet for year compared with previous year.

TABLE B—Corporate Income Account.

TABLE C—Particulars of Bonded debt of the Corporate Company.

TABLE D—United States Railroad Administration and Corporate combined Income Account Statement.

TABLE E—Corporate Comparative Financial Statement.

TABLE F—Corporate Earnings and Expenses for years 1914-15-16-17. United States Railroad Administration Earnings and Expenses for 1918.

TABLE G—United States Railroad Administration Earnings and Expenses by months.

TABLE H—United States Railroad Administration operating expenses.

TABLE I—Mileage.

TABLE J—Classification of freight tonnage, United States Railroad Administration, 1918—Detroit and Mackinac Railway Company, 1917.

TABLE K—United States Railroad Administration Statistics for year 1918—Detroit and Mackinac Railway Company Statistics for year 1917.

TABLE L—Equipment.

TABLE M—Spurs, sidings and branches taken up and built during the year.

Respectfully,

C. E. GLASS,
Auditor.

TABLE—A.

DETROIT & MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1918, AND COMPARISON WITH CONDENSED
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1917, SHOWING INCREASE AND DECREASE.

DECEMBER 31, 1918.

ASSETS.		Total.	Increase.	Decrease.
Investments.				
Investment in Road and Equipment.....	\$6,625,197.08	\$6,741,533.92	\$ 50,564.75	
Miscellaneous Physical Property.....	15,274.34		4,517.39	
Other Investments	101,062.50		101,062.50	
Current Assets		12,759.61		\$ 1,209.79
Cash	6,444.48			101,945.34
Demand Loans and Deposits.....				
Special Deposits	2,640.00		420.00	
Traffic and Car Service Balance Receivable.....				27,751.72
Net Balance Due from Station Agents.....				24,919.56
Miscellaneous Accounts Receivable.....	3,675.13			21,631.45
Materials and Supplies				219,211.93
U. S. Government		785,727.89		
Standard Return	310,664.04		310,664.04	
Cash, December 31, 1917.....	109,599.61		109,599.61	
Agents' Balance, December 31, 1917.....	24,919.56		24,919.56	
Material and Supplies, December 31, 1917.....	219,493.94		219,493.94	
Assets, December 31, 1917, Collected.....	68,394.74		68,394.74	
Depreciation on Equipment.....	52,656.00		52,656.00	
Deferred Assets		670.81		
Working Fund Advances	670.81			
Unadjusted Debits				182.29
Insurance Premiums Paid in Advance.....				
Total.....		\$7,540,692.23	\$545,440.45	

LIABILITIES.

Capital Stock			
Common Stock	\$2,000,000.00	\$2,950,000.00	
Preferred Stock	950,000.00		
Long Term Debt			
Funded Debt Unmatured	2,300,000.00	2,300,000.00	
Current Liabilities		111,766.58	
Loans and Bills Payable.....	100,000.00	\$100,000.00	
Traffic and Car Service Balance Payable.....	421.98	421.98	
Audited Accounts and Wages Payable.....	1,037.93		\$117,852.38
Interest Matured Unpaid	2,640.00	420.00	
Unmatured Interest Accrued	7,666.67		
U. S. Government		505,759.45	
Cash Advanced from Washington.....	75,000.00	75,000.00	
Revenue Prior to January 1, 1918.....	4,608.23	4,608.23	
Expense Prior to January 1, 1918.....	20,432.79	20,432.79	
Corporate Transactions	117,076.64	117,076.64	
Liabilities, December 31, 1917, paid.....	246,905.36	246,905.36	
Additions and Betterments	41,736.43	41,736.43	
Unadjusted Credits		640,262.36	
Tax Liability	19,458.60		82,991.40
Operating Reserves	2,862.93		63.19
Accrued Depreciation—Road	166,424.75		
Accrued Depreciation—Equipment	393,104.69		
Equipment Depreciation Suspense.....	52,656.00	52,656.00	
Other Unadjusted Credits.....	5,755.39	5,584.47	
Corporate Surplus.		1,032,903.84	
Additions to Property through income and supplies.....	767,790.11	48,443.00	
Appropriated Surplus Not Specifically Invested.....	100,000.00	33,062.52	
Profit and Loss Credit Balance.....	165,113.73		
Total.....		\$7,540,692.23	\$545,440.45

TABLE — B.
DETROIT & MACKINAC RAILWAY COMPANY
CORPORATE INCOME ACCOUNT STATEMENT FOR FISCAL YEAR ENDING
DECEMBER 31, 1918.

Income from lease of road.....		\$313,269.39
Standard return	\$310,664.04	
Alabaster Branch—Rental	2,605.35	
Expense		200.60
General	200.60	
Stationery and Printing	\$ 84.25	
Other Expenses	116.35	
Net Income from Lease of Road.....		\$313,068.79
Revenues from Miscellaneous Operations.....		36,721.22
Expenses of Miscellaneous Operations		40,469.33
Net Revenue from Miscellaneous Operations.....		* 3,748.11
Taxes on Miscellaneous Operating Property.....		330.77
Miscellaneous Operating Income		* 4,078.88
Net Income from All Operations.....		308,989.91
Non-Operating Income		* 1,587.56
Gross Income		307,402.35
Taxes—Federal		19,127.83
Miscellaneous Income Charges		23,824.06
Rentals		300.00
Total charges excluding interest.....		43,251.89
Balance before deduction of interest.....		264,150.46
Interest on Bonds		92,000.00
Net Income		172,150.46
Dividend Appropriation of Income.....		97,500.00
Income Appropriated for Investment in Physical Property.....		41,803.86
Total Appropriations		\$139,303.86
Surplus		\$32,846.60

Profit and Loss Account.

Credit Balance, January 1st, 1918.....	\$132,051.21
Credit Balance Transferred from Income.....	32,846.60
Profit on Equipment Sold	45.00
Miscellaneous Credits	170.92
Credit Balance Carried to General Balance Sheet.....	\$165,113.73

*Deficit.

TABLE — C.

DETROIT & MACKINAC RAILWAY COMPANY

PARTICULARS OF BONDED DEBT.

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,050,000 00	4%	June and December	\$42,000 00	June 1, 1995
Mort.	1,250,000 00	4%	June and December	50,000 00	June 1, 1995
	\$2,300,000 00			\$92,000 00	

TABLE—D.

**STATEMENT OF CONSOLIDATED INCOME ACCOUNT FIGURES, DETROIT & MACKINAC RAILROAD, UNITED STATES
RAILROAD ADMINISTRATION—DETROIT & MACKINAC RAILWAY, FOR FISCAL YEAR ENDED
DECEMBER 31, 1918, COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1917.**

	1918	1917	Increase	Decrease
Average mileage operated.....	381.90	384.82		2.92
Operating revenues.....				
Freight.....	\$1,128,352.23	\$ 891,381.03	\$236,971.20	
Passenger.....	325,346.77	346,441.54		\$ 21,094.77
Excess Baggage.....	2,405.61	2,801.84		396.23
Parlor and Chair Car.....	13.25	1,348.25		1,335.00
Mail.....	32,261.75	33,469.79		1,208.04
Express.....	48,133.33	43,904.54	4,228.79	
Milk.....	732.08	590.32	141.76	
Switching.....	5,318.76	4,887.98	430.78	
Special Service Train.....	149.80	788.50		638.70
Other Freight Train.....		50.00		50.00
Dining and Buffet.....		1,434.15		1,434.15
Station Train and Boat Privilege.....	486.65	649.84		163.19
Storage Freight.....	403.91	505.39		101.48
Storage—Baggage.....	27.23	17.60	9.63	
Demurrage.....	9,237.00	15,453.00		6,216.00
Telegraph and Telephone.....	88.25	246.75		158.50
Rent of Buildings and Other Property.....	1,062.58	1,132.00		69.42
Miscellaneous.....	3,014.59	2,666.77	347.82	
Joint Facility—Credit.....		3,581.65		3,581.65
Joint Facility—Debit.....		900.50	900.50	
Total Operating Revenues.....	\$1,557,033.79	\$1,350,450.44	\$206,583.35	
Operating Expenses.....				
Maintenance of Way and Structures.....	\$ 273,425.92	\$ 165,830.06	\$107,595.86	
Maintenance of Equipment.....	384,717.72	238,035.58	146,682.14	
Maintenance of Equipment—(Depreciation).....	52,656.00	52,656.00		
Traffic.....	26,521.45	28,300.48		\$ 1,779.03
Transportation.....	687,756.64	537,754.59	150,002.05	
Miscellaneous Operations.....		1,359.09		1,359.09
General.....	63,580.73	47,103.59	16,477.14	
Total Operating Expenses.....	\$1,488,658.46	\$1,071,039.39	\$417,619.07	

Net Operating Revenue	\$ 68,375.33	\$ 279,411.05	.....	\$211,035.72
Railway Tax Accruals	118,913.28	99,295.13	19,618.15	.....
Uncollectible Railway Revenues	1,581.06	382.17	1,198.89	.....
Railway Operating Income.....	*\$ 52,119.01	\$ 179,733.75	.....	\$231,852.76
Revenue from Miscellaneous Operations.....	\$ 36,721.22	\$ 28,074.12	\$ 8,647.10	.....
Expense of Miscellaneous Operations.....	40,469.33	29,111.55	11,357.78	.....
Net Revenue from Miscellaneous Operations.....	*\$ 3,748.11	*\$ 1,037.43	.....	\$ 2,710.68
Taxes on Miscellaneous Operating Property.....	330.77	.....	330.77	.....
Miscellaneous Operating Income	*\$ 4,078.88	*\$ 1,037.43	.....	\$ 3,041.45
Total Operating Income.....	*\$ 56,197.89	\$ 178,696.32	.....	\$234,894.21
Non-Operating Income.....				
Hire of Freight Cars—Credit Balance.....	\$ 56,331.32	\$ 103,021.77	.....	\$ 46,690.45
Rent from Locomotives	24.63	726.00	.....	701.37
Rent from Passenger Train Cars	5,828.10	.....	5,828.10	.....
Rent from Work Equipment	205.50	43.00	162.50	.....
Joint Facility Rent Income.....	2,895.55	86.33	2,809.22	.....
Income from Lease of Road.....	2,605.35	3,200.03	.....	594.68
Miscellaneous Non-Operating Physical Property.....	14.29	.....	14.29	.....
Income from Unfunded Securities and Accounts.....	2,999.98	2,818.53	181.45	.....
Miscellaneous Income	5,339.50	.....	5,339.50	.....
Total Non-Operating Income	\$ 76,244.22	\$ 109,895.66	.....	\$ 33,651.44
Gross Income	20,046.33	288,591.98	.....	268,545.65
Deductions from Gross Income.....				
Rent for Passenger Train Cars.....	279.74	942.14	.....	662.40
Joint Facility Rents	925.55	.....	925.55	.....
Miscellaneous Rents	300.00	300.00	.....	.....
Interest on Funded Debt.....	92,000.00	92,000.00	.....	.....
Total Deductions from Gross Income.....	\$ 93,505.29	\$ 93,242.14	\$ 263.15	.....
Net Income	*\$ 73,458.96	\$ 195,349.84	.....	\$268,808.80

***Bold face type denotes deficit.**

TABLE—E.

DETROIT & MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT.

Current Assets.	Dec. 31, 1916	Dec. 31, 1917	Dec. 31, 1918
Cash	\$ 3,113.75	\$ 8,154.27	\$ 6,444.48
Special Funds	25,537.81	104,165.34	
Due from Station Agents and others..	34,101.39	50,396.95	3,675.13
Traffic Balances.....	8,039.35	27,751.72	
Material and Supplies	90,627.12	219,211.93	
Prepaid and Deferred Charges.....	178.78	182.29	670.81
Standard Return .....	.....	.....	310,664.04
U. S. Government Assets, December 31, 1917 .....	.....	.....	422,407.85
Totals.....	\$ 161,598.20	\$ 409,862.50	\$ 743,862.31
Less Current Liabilities.			
Audited Vouchers and Pay Rolls.....	\$ 58,912.04	\$ 118,890.31	\$ 1,037.93
Notes Payable .....	.....	.....	100,000.00
Accrued Taxes, Interest and Traffic Balances	89,852.41	112,336.67	27,547.25
U. S. Government Liabilities, December 31, 1917, paid.....	.....	.....	246,905.36
U. S. Government Corporate Transactions, 1918 .....	.....	.....	258,854.09
Totals.....	\$ 148,764.45	\$ 231,226.98	\$ 634,344.63
Net Assets	\$ 12,833.75	\$ 178,635.52	\$ 109,517.68
Capital Assets.			
Cost of Road	\$4,919,630.76	\$5,645,787.93	\$5,766,466.60
Cost of Equipment	719,380.31	946,240.49	975,067.32
Construction Accounts .....	.....	.....	.....
Totals.....	\$5,639,011.07	\$6,592,028.42	\$6,741,533.92
Net Assets	\$5,651,844.82	\$6,770,663.94	\$6,851,051.60
Representing—			
Bond Issued—First Lien.....	\$1,050,000.00	\$1,050,000.00	\$1,050,000.00
Bond Issued—Mortgage	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Reserves	401,664.30	662,626.48	668,147.76
Additions to Property through Income and Surplus .....	.....	725,986.25	767,790.11
Surplus	180.52	132,051.21	165,113.73
Totals.....	\$5,651,844.82	\$6,770,643.94	\$6,851,051.60

TABLE F.
DETROIT & MACKINAC RAILWAY COMPANY
EARNINGS AND EXPENSES BY YEARS

	1914		1915		1916		1917		1918	
	Amount	Per Cent.	Amount	Per Cent.	Amount	Per Cent.	Amount	Per Cent.	Amount	Per Cent.
EARNINGS—										
Freight	\$ 795,306.34	65.71	\$ 695,580.42	64.57	\$ 786,082.44	66.86	\$ 891,381.03	66.00	\$1,128,352.23	72.47
Passenger	336,571.93	27.80	303,072.26	28.13	310,506.15	26.41	346,441.54	25.65	325,346.77	20.90
Mail	34,331.99	2.84	34,326.19	3.19	35,884.00	3.05	33,469.79	2.48	32,261.75	2.07
Express	18,370.20	1.52	20,075.31	1.86	20,712.34	1.76	43,904.54	3.26	48,133.33	3.09
Other Sources	25,752.96	2.13	24,263.06	2.25	22,541.90	1.92	35,253.54	2.61	22,939.71	1.47
Total	\$ 1,210,333.42	100%	\$ 1,077,317.24	100%	\$1,175,726.83	100%	\$1,350,450.44	100%	\$1,557,033.79	100%
EXPENSES—										
Maint. Way and Structures	\$ 147,397.89	17.28	\$ 135,504.78	17.07	\$ 132,936.76	16.67	\$ 165,830.06	15.48	\$ 273,425.92	18.37
Maint. Equipment	195,752.58	22.95	200,024.61	25.20	207,414.26	26.01	290,691.58	27.14	437,373.72	29.39
Traffic Expense	28,544.72	3.35	24,667.77	3.11	25,042.67	3.14	28,300.48	2.64	26,521.45	1.77
Transportation Expense	448,330.02	52.57	398,888.66	50.26	398,010.46	49.90	537,754.59	50.21	687,756.64	46.21
Miscellaneous Operation .....	.....	.....	1,138.04	.14	987.68	.12	1,359.09	.13	.....	.....
General Expense	32,854.69	3.85	33,511.55	4.22	33,192.45	4.16	47,103.59	4.40	63,380.13	4.26
Total	\$ 852,879.90	100%	\$ 793,735.41	100%	\$ 797,584.28	100%	\$ 1,071,039.39	100%	\$1,488,457.86	100%
Net Earnings	357,453.52	29.53	283,581.83	24.32	378,142.55	32.16	279,411.05	20.69	68,575.93	4.41
Taxes	105,904.48	8.75	82,490.65	7.66	97,506.07	8.29	99,295.13	7.35	99,785.45	6.41
Net Earnings, less Taxes	251,549.04	20.78	201,091.18	18.66	280,636.48	23.87	180,115.92	13.34	*31,209.52	2.00

* Deficit.

Note—1918 figures are Federal Administration figures.

TABLE-G.

DETROIT & MACKINAC RAILWAY COMPANY

UNITED STATES RAILROAD ADMINISTRATION.

STATEMENT OF OPERATING REVENUES AND OPERATING EXPENSES FOR FISCAL YEAR ENDING DECEMBER 31, 1918

OPERATING REVENUES

Earnings	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Freight	\$ 44,439.47	\$ 69,257.80	\$ 95,269.19	\$ 98,267.08	\$115,782.14	\$ 97,519.98	\$111,719.25	\$107,216.99	\$ 89,591.35	\$100,673.74	\$ 78,327.18	\$120,288.06
Passenger	22,106.27	21,669.18	24,324.12	29,814.97	18,727.46	30,223.19	26,956.08	36,182.55	38,903.69	28,346.68	18,357.39	31,590.38
Express	3,252.65	3,718.85	3,089.16	3,089.16	3,000.00	2,500.00	2,500.00	11,757.16	4,808.58	1,761.44	4,944.89	3,711.44
Mail	2,600.00	2,700.00	2,700.00	2,700.00	2,698.00	2,700.00	2,663.75	2,700.00	2,700.00	2,700.00	2,700.00	2,700.00
Other Sources	1,429.89	1,714.80	2,009.11	1,599.07	472.85	1,880.08	1,887.15	1,224.95	2,293.61	1,954.72	4,066.94	1,551.35
Totals	\$ 73,828.28	\$ 99,060.63	\$127,391.58	\$135,470.28	\$140,680.45	\$134,823.25	\$145,726.23	\$159,081.65	\$137,297.23	\$135,436.58	\$108,396.40	\$159,841.23

OPERATING EXPENSES

Oper. Expenses	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Maint. Way & Str.	\$ 15,920.68	\$ 14,622.07	\$ 14,283.65	\$ 18,909.61	\$ 26,763.57	\$ 29,007.31	\$ 25,416.25	\$ 22,216.92	\$ 24,057.40	\$ 26,335.26	\$ 34,693.90	\$ 21,199.30
Maint. Equipment	22,985.76	23,831.89	26,021.22	25,799.45	25,658.68	37,216.32	31,803.90	36,369.38	35,474.49	40,284.51	73,626.23	58,304.89
Traffic	3,118.34	2,129.53	1,119.65	2,937.16	2,153.53	2,073.46	2,149.62	2,884.08	2,436.88	1,598.04	3,295.69	625.47
Transportation	50,412.13	52,590.06	53,239.69	54,582.30	52,092.53	78,303.27	53,270.26	53,309.88	52,248.02	55,538.65	73,299.01	58,870.84
General	6,888.35	5,715.64	4,827.26	4,336.90	5,926.92	4,674.30	5,232.38	6,072.68	6,145.20	5,116.53	6,119.12	2,244.85
Totals	\$ 99,322.26	\$ 98,888.19	\$ 99,491.47	\$106,565.42	\$112,595.23	\$151,274.66	\$117,872.41	\$120,852.94	\$120,361.99	\$128,872.99	\$191,113.95	\$141,245.35
Net Revenue	\$ 25,493.98	\$ 171.44	\$ 27,900.11	\$ 28,904.86	\$ 28,085.22	\$ 16,451.41	\$ 27,853.82	\$ 38,228.71	\$ 16,935.24	\$ 6,563.59	\$ 82,717.55	\$ 18,595.98
Prop. Exp. to Revenue	134.53 %	99.83 %	78.10 %	78.67 %	80.04 %	112.20 %	80.89 %	75.97 %	87.67 %	95.16 %	176.31 %	88.37 %

Bold face type denotes deficit.

DETROIT & MACKINAC RAILROAD
UNITED STATES RAILROAD ADMINISTRATION.

TABLE—H.
OPERATING EXPENSES.

Maintenance of Way and Structures.

	1918.	Increase.	Decrease.
Superintendence	\$ 6,796.83	\$ 1,524.23	
Roadway Maintenance	13,791.08	5,058.94	
Bridges, Trestles and Culverts.....	13,679.05	8,246.60	
Ties	32,241.11	9,079.79	
Other Track Material	11,489.99	7,236.08	
Ballast	6,173.89	4,608.50	
Track Laying and Surfacing.....	113,428.71	37,015.40	
Right-of-Way Fences	4,236.25	497.87	
Snow and Sand Fences and Snow Sheds....	65.18		\$ 12.42
Crossings and Signs	1,776.41		710.60
Station and Office Buildings.....	7,384.04		211.62
Roadway Buildings	246.89		133.85
Water Stations	2,965.84	760.24	
Fuel Stations	2,241.31	1,653.54	
Shops and Enginehouses	5,207.89	3,054.53	
Telegraph and Telephone Lines	3,803.63	857.39	
Signals and Interlockers	4,292.98	4,097.75	
Miscellaneous Structures	31.36	31.36	
Roadway Machines	12,033.63	7,451.10	
Small Tools and Supplies.....	3,822.85	773.20	
Removing Snow, Ice and Sand.....	28,461.30	16,485.82	
Injuries to Persons	545.50		1,041.06
Insurance	579.08		3.15
Stationery and Printing	215.95	7.53	
Other Expenses			16.17
Maint. Joint Tracks, Yards and Other Facilities—Dr.	568.35	82.71	
Maint. Joint Tracks, Yards and Other Facilities—Cr.	2,653.18	1,195.85	
Total	\$273,425.92	\$107,595.86	

DETROIT & MACKINAC RAILROAD
UNITED STATES RAILROAD ADMINISTRATION.

OPERATING EXPENSES—(Continued.)

Maintenance of Equipment.

	1918.	Increase.	Decrease.
Superintendence	\$ 12,005.33	\$ 4,767.50	
Shop Machinery	3,620.01	1,360.42	
Steam Locomotives—Repairs	122,789.20	57,904.03	
Steam Locomotives—Depreciation	11,868.00		
Freight Train Cars—Repairs	201,063.84	66,524.77	
Steam Locomotives—Retirements	351.02	351.02	
Freight Train Cars—Depreciation.....	30,879.84		
Freight Train Cars—Retirements			3,598.83
Passenger Train Cars—Repairs	33,084.97	14,949.22	
Passenger Train Cars—Depreciation.....	8,779.20		
Work Equipment—Repairs	7,117.03	5,399.49	
Work Equipment—Depreciation	1,128.96		
Injuries to Persons	1,499.17		885.42
Stationery and Printing	554.82		441.21
Other Expenses	2,632.33	351.15	
Total	<u>\$437,373.72</u>	<u>\$146,682.14</u>	

Traffic Expenses.

Superintendence	\$ 17,178.90		\$1,544.98
Outside Agencies	150.47	150.47	
Advertising	154.00		1,307.99
Traffic Associations	1,217.92		9.12
Industrial and Immigration Bureaus.....	200.00		
Stationery and Printing	6,735.88	48.31	
Other Expenses	884.28	884.28	
Total	<u>\$ 26,521.45</u>		<u>\$1,779.03</u>

DETROIT & MACKINAC RAILROAD

UNITED STATES RAILROAD ADMINISTRATION.

OPERATING EXPENSES—(Continued.)

Transportation Expenses.

	1918.	Increase.	Decrease.
Superintendence	\$ 36,487.12	\$ 10,261.58	
Dispatching Trains	8,464.37	2,384.86	
Station Employees	107,520.87	20,070.48	
Weighing, Inspection and Demurrage Bureaus	930.60	210.60	
Station Supplies and Expenses.....	5,956.50	322.24	
Yardmaster and Yard Clerks	5,551.36	1,430.55	
Yard Conductors and Brakemen.....	20,771.70	7,210.32	
Yard Enginemen	12,422.73	4,137.98	
Fuel for Yard Locomotives.....	20,929.39	6,368.48	
Water for Yard Locomotives.....	1,200.93	467.85	
Lubricants for Yard Locomotives.....	214.17	26.38	
Other Supplies for Yard Locomotives.....	102.97	40.97	
Enginehouse Expenses—Yard	2,412.70	1,114.83	
Yard Supplies and Expenses.....	1,361.08	810.12	
Operating Jt. Yards and Terminals—Dr.	2,354.64	2,354.64	
Operating Jt. Yards and Terminals—Cr.	15.78	15.78	
Train Enginemen	67,145.90	8,962.88	
Fuel for Train Locomotives.....	192,544.91	31,790.47	
Water for Train Locomotives	10,196.23	2,225.01	
Lubricants for Train Locomotives.....	2,192.08	84.95	
Other Supplies for Train Locomotives.....	1,018.64	85.99	
Enginehouse Expenses—Train	25,220.08	8,094.57	
Trainmen	82,944.86	13,939.20	
Train Supplies and Expenses.....	42,239.40	15,465.27	
Crossing Protection			1.90
Drawbridge Operation	2,453.67	1,002.70	
Telegraph and Telephone Operation.....	3,294.14	688.00	
Stationery and Printing	6,393.28		107.27
Other Expenses	91.94		977.18
Operating Joint Tracks and Facilities—Dr.	5,935.50	5,580.29	
Operating Joint Tracks and Facilities—Cr.	1,109.41		20.91
Insurance	225.03	225.03	
Clearing Wrecks	2,350.26	639.31	
Damage to Property	1,141.29	487.89	
Damage to Live Stock on Right of Way....	418.42	54.32	
Loss and Damage—Freight	10,530.63	2,206.21	
Loss and Damage—Baggage	2.35		22.79
Injuries to Persons	5,862.09	2,362.09	
Total	\$687,756.64	\$150,002.05	

Miscellaneous Operations.

Dining and Buffet Service.....	1,359.09
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DETROIT & MACKINAC RAILROAD

UNITED STATES RAILROAD ADMINISTRATION.

OPERATING EXPENSES—(Continued.)

General Expenses.			
	1918.	Increase.	Decrease.
Salaries and Expenses of General Officers	\$ 12,476.13		695.62
Salaries and Expenses of Clerks and Attendants	23,908.65	13,862.44	
General Office Supplies and Expenses.....	3,176.26	1,074.17	
Law Expenses	12,011.31	4,561.95	
Insurance	16.27	16.27	
Pensions	475.00	175.00	
Stationery and Printing	2,228.35	1,050.51	
Valuation Expenses	8,445.49		3,654.29
Other Expenses	642.67		113.89
Total	\$ 63,380.13	\$ 16,276.54	
Summary.			
Maintenance of Way and Structures.....	\$ 273,425.92	\$107,595.86	
Maintenance of Equipment	437,373.72	146,682.14	
Traffic	26,521.45		1,779.03
Transportation—Rail Line	687,756.64	150,002.05	
Miscellaneous Operations			1,359.09
General	63,380.13	16,276.54	
Total	\$1,488,457.86	\$417,418.47	

TABLE-I.

STATEMENT OF MILEAGE, DECEMBER 31, 1918.

Main Line.	
Bay City to Cheboygan.....	195.20
Branches.	
Omer to Au Gres	7.95
Emery Junction to Rose City.....	32.04
Emery Junction to Prescott	12.15
Alabaster Junction to Alabaster	4.27
Au Sable to Comins	49.64
Lincoln Junction to Lincoln.....	14.68
Hillman Junction to Hillman.....	23.30
Rogers City Junction to Rogers City.....	14.41
Various Logging Branches	25.65
Total	184.09
Total Main Line and Branches.....	379.29
Yard Tracks and Sidings.....	112.66
Total, all Tracks	491.95

TABLE-J.

DETROIT & MACKINAC RAILROAD

UNITED STATES RAILROAD ADMINISTRATION.

CLASSIFICATION OF FREIGHT TONNAGE.

	1918	Per	1917	Per
	Tons.	Cent.	Tons.	Cent.
Products of Agriculture—				
Grain	7,872	.7	8,190	.7
Flour	2,615	.2	3,339	.3
Other Mill Products	787	.1	408	
Hay	17,190	1.6	10,105	.9
Fruit and Vegetables	39,244	3.6	19,996	
Other Products of Agriculture.....	214			1.8
Total Products of Agriculture	67,922	6.2	42,038	3.7
Products of Animals—				
Live Stock	12,435	1.1	8,623	.8
Dressed Meats	2,790	.3		
Other Packing House Products.....	372		125	
Poultry, Game and Fish.....	306		40	
Wool	799	.1	70	
Hides and Leather	7,638	.7	8,415	.7
Other Animal Products	69			
Total Products of Animals.....	24,409	2.2	17,273	1.5
Products of Mines—				
Anthracite Coal	1,606	.1	3,904	.3
Bituminous Coal	91,431	8.4	106,590	9.4
Coke	1,200	.1	1,257	.1
Stone, Sand and other like articles	299,537	27.6	323,632	28.5
Other Products of Mines.....	499		1,150	.1
Total Products of Mines.....	394,273	36.2	436,533	38.4
Products of Forests—				
Lumber	172,040	15.8	82,904	7.3
Other Products of Forests.....	131,302	12.1	250,095	22.
Total Products of Forests.....	303,342	27.9	332,999	29.3
Manufactures—				
Petroleum and Other Oils.....	7,739	.7	6,194	.5
Sugar	779	.1	820	.1
Naval Stores	48			
Iron, Pig and Bloom.....	2,465	.2	6,338	.6
Iron and Steel Rails.....	2,348	.2	3,249	.3
Other Castings and Machinery.....	6,007	.6	5,783	.5
Bar and Steel Metal.....	392		1,500	.1
Cement, Brick and Lime.....	121,845	11.3	161,886	14.2
Agricultural Implements	13,548	1.2	193	
Wagons, Carriages, Tools, etc.....	186		427	.1
Wines, Liquor and Beers.....	904	.1	1,765	.2
Household Goods and Furniture...	1,407	.1	1,036	.1
Other Manufactures			14,580	1.3
Total Manufactures	157,668	14.5	203,741	18.0
Miscellaneous Commodities—Carloads				
Not specified above	50,335	4.6	30,295	2.7
L.C.L. Goods not distributed above	90,804	8.4	72,960	6.4
Grand total, all Commodities.....	1,088,753	100%	1,135,839	100%

TABLE—K.**DETROIT & MACKINAC RAILROAD**

UNITED STATES RAILROAD ADMINISTRATION.

PASSENGER STATISTICS.

	1918	1917
No. of passengers carried.....	296,968	346,592
No. of passengers carried one mile.....	12,093,572	13,480,424
No. of passengers carried one mile per mile of road	32,236	35,122
Average distance each passenger carried— (miles)	40.720	38.894
Passenger revenue	\$ 325,346.77	\$ 346,441.54
Average amount received from each pas- senger	1.09556	.99956
Average receipts per passenger, per mile..	.02690	.02568
Total passenger train earnings.....	408,892.79	428,556.28
Passenger earnings per mile of road.....	1,089.94	1,116.55
Passenger earnings per train mile.....	1.2595	1.0155
Average No. of passengers per train mile..	30.34	31.94

FREIGHT STATISTICS.

No. tons revenue freight carried.....	1,106,920	1,135,839
No. tons carried one mile.....	79,289,070	106,880,179
No. tons carried one mile per mile of road	211,353	278,464
Average distance haul of one ton—(miles)	71.63	94.098
Total freight revenue	\$1,128,352.23	\$ 891,381.03
Average amount received for each ton of freight	1.01936	.78478
Average receipts, per ton, per mile.....	.01423	.00834
Freight revenue, per mile of road.....	2,955.00	2,322.39
Freight revenue, per train mile.....	3.60	2.88
Average No. of tons, per train mile.....	258.99	341.36
Average No. of tons, per loaded car mile..	21.06	29.91
Average No. of cars, per train mile.....	31.88	30.42

OPERATING STATISTICS.

Gross revenues from operation.....	1,557,033.79	1,350,450.44
Gross revenues from operation, per mile of road	4,150.43	3,518.45
Operating expenses	1,488,457.86	1,071,039.39
Operating expenses, per mile of road.....	3,967.63	2,790.47
Operating expenses, per train mile.....	2.57	1.79
Net operating revenues	68,575.93	279,411.05
Net operating revenues, per mile of road..	182.80	727.97
Ratio of expenses to earnings.....	95.59 %	79.31 %

TABLE-L.

DETROIT & MACKINAC RAILROAD

UNITED STATES RAILROAD ADMINISTRATION.

EQUIPMENT.

Locomotives—	1918	1917
Passenger	13	13
Freight	20	20
Switching	2	2
	<hr/>	<hr/>
Totals	35	35
Passenger Cars—		
First Class	27	27
Combination	7	7
Parlor	2	2
Cafe	1	1
Baggage, Express and Postal	8	8
	<hr/>	<hr/>
Totals	45	45
Freight Cars—		
Refrigerator	12	12
Box	657	646
Coal	382	444
Flat	381	327
Stock	82	82
	<hr/>	<hr/>
Totals	1514	1511
In Company's Service—		
Officers and Pay Cars.....	1	2
Derrick Cars	1	1
Caboose Cars	12	12
Other Road Cars	54	53
Snow Plow	1	1
Steam Shovel	1	1
	<hr/>	<hr/>
Totals	70	70
Summary—		
Total Number of Locomotives Owned.....	35	35
Total Number of Cars Owned.....	1629	1626

TABLE-M.
DETROIT & MACKINAC RAILROAD
UNITED STATES RAILROAD ADMINISTRATION.
SIDINGS AND SPUR TRACKS TAKEN UP.
JANUARY 1, 1918, TO DECEMBER 31, 1918.

	Miles	Feet
Spur at Bridge—Tower		710
Cedar Spur, two miles north of Posen.....		731
Black Lake Branch	32,170	
Back End of Michigan over T. K.—Au Sable.....	1,200	
Back End of Curran Branch.....	1,934	
Gilchrist Mill Track—Alpena	550	
Hill Spur—Whittemore	550	
Steve Mill Track—Omer	4,142	
Hill Spur—Prescott	570	
Gardener & Peterman Track—Onaway	870	
Shingle Mill Track—Onaway	500	
Track No. 1, Mahoney—Onaway	350	
Trudell Tracks—South Branch	1,030	
Canning Factory Track—Cheboygan	380	
Seed House Track—Cheboygan	380	
Back End of Potash Track—Onaway.....	350	
Hill Spur—Prescott	570	
South End of Long Siding—Au Sable.....	690	
Total.....	9	172

SIDINGS AND SPUR TRACKS BUILT.

JANUARY 1, 1918, TO DECEMBER 31, 1918.

Davidson Spur, 4 miles north of Black River.....	420
Long Siding—Au Sable	260
Hill Spur—Whittemore	550
Beebe Spur, 6 miles south of Alpena.....	120
Turnout Track—Alpena	490
Solomon Hayes Cowley Co., Spur, 1 mile east of Hardy.....	480
Tracks Nos. 108-110 Mill Yard—Au Sable.....	495
Hill Spur—Prescott	570
Augus Gordon, 2½ miles south of Ossineke.....	455
Connecting Track, M. C.—Cheboygan.....	260
Hill Spur—Prescott Branch	570
Solomon Hayes Cowley Spur—Flat Rock.....	300
Cook's Spur—Extend 1 mile east of Cook's Site.....	175
Esch Spur—Onaway	385
Solomon Hayes & Cowley Co., 2 miles east of Hardy.....	491
Total.....	1 741

Summary.

Tracks taken up	9	172
Tracks built	1	741
Decrease.....	7	4,711



